



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE
REFER TO FILE: **W-0**

October 17, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PUBLIC HEARING FOR A WATER RATE INCREASE FOR THE LOS ANGELES
COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY
SUPERVISORIAL DISTRICT 5
3 VOTES**

IT IS RECOMMENDED THAT YOUR BOARD AFTER THE PUBLIC HEARING:

As the governing body of the Los Angeles County Waterworks District No. 40,
Antelope Valley:

1. Approve the proposed water rate increases.
2. Find that the proposed Ordinance amending the Rules and Regulations of the Los Angeles County Waterworks Districts is to fund operating expenses and capital projects to maintain services in existing service areas and is, therefore, exempt from the California Environmental Quality Act (CEQA) pursuant to Section 21080(b)(8) of the Public Resources Code.
3. Adopt the proposed Ordinance amending the Rules and Regulations of the Los Angeles County Waterworks Districts.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The increase in water rates will enable the Los Angeles County Waterworks District No. 40, Antelope Valley, to fund increased operating expenses to meet the water needs of the District's 43,000 customers. The last water rate increase in the District was adopted by your Board in 1985. Since then, in addition to inflation, recent and significant increases in the cost of purchased water and electrical power have greatly reduced the District's ability to fund continuing operational expenditures. During the last two fiscal years, the cost of electrical power for District groundwater wells and water pumping stations has risen by 33.3 percent. In addition, the cost of State Water Project Water, which we purchase from the Antelope Valley East-Kern Water Agency for our customers, rose 29.2 percent. The water rate increases will provide funds to meet these costs and allow the District to continue to meet currently adopted water quality requirements. If in the future more stringent water quality standards are enacted, additional increases will be required.

On June 24, 25, and 27, and July 2, 2002, we held public meetings with our customers to discuss the need for proposed water rate increases. Notices were sent to all 43,000 customers of the District. A total of 85 people attended the meetings. Their main concerns were the amount of the water rate increase and the possibility of extending the implementation period over several years. We clarified that the immediate increases were needed because the increased prices for power and water purchase were already in effect and must be paid to operate the water system. We have received and responded to 13 letters in opposition to the rate increases.

Implementation of Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Financial Responsibility and Service Excellence. The additional funding will provide sufficient funds for the increased operation and maintenance expenses of the District and for capital projects. These actions will provide needed water services and protection for the health and safety of the District's customers.

FISCAL IMPACT/FINANCING

There will be no impact to the County's General Fund.

These actions will generate additional annual revenue of approximately \$2,700,000 in water sales for the operation and maintenance of the District General Fund N63 and approximately \$275,000 in surcharge for the Accumulative Capital Outlay Fund N64.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Increasing the water rates is authorized by Section 55501 of the County Waterworks District Law, Water Code Sections 65000, et. seq. Adoption of this Ordinance will revise the District's Rules and Regulations adopted pursuant to Section 55333 of the County Waterworks District Law.

To comply with the requirements of Sections 66016, 66018.(a), and 6062a of the Government Code, the fee increases may only be ordered after a public hearing. These Code Sections also require that notice of the hearing be mailed to all interested parties who file a written request for such and that notice be published two times in a newspaper of general circulation within a ten-day period with at least five intervening days. As of the date of the notice, no valid written request was on file with Public Works nor in the Executive Office of the Board of Supervisors.

The public hearing is being held pursuant to Section 66018 of the Government Code. Notice of the time and place of the hearing was published pursuant to Government Code Section 6062a.

County Counsel has reviewed and approved the proposed Ordinance and Notice of Hearing as to form.

ENVIRONMENTAL DOCUMENTATION

These actions and the proposed Ordinance amending the Rules and Regulations of the Los Angeles County Waterworks Districts are to fund operating expenses and capital projects to maintain services in existing service areas and are, therefore, exempt from the CEQA pursuant to Section 21080(b)(8) of the Public Resources Code.

The Honorable Board of Supervisors
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IMPACT ON CURRENT SERVICES (OR PROJECTS)

None.

CONCLUSION

Please return one adopted copy of this letter and the enclosed Ordinance and documentation to Public Works, Waterworks and Sewer Maintenance Division.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

MDR:ag
BDL2121

Enc.

cc: Chief Administrative Office
County Counsel

INSTRUCTION SHEET FOR PUBLISHING
LEGAL ADVERTISEMENTS

TO: Executive Officer-Clerk of the Board
Board of Supervisors
County of Los Angeles

FROM: Department of Public Works
Waterworks and Sewer Maintenance Division

**NOTICE OF HEARING
ON A PROPOSED WATER RATE INCREASE FOR LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY**

Publishing

That the Executive Officer of the Board of Supervisors shall cause notice of the public hearing, in the form and manner specified in Section 55503 of the Water Code, to be published once a week for two consecutive weeks in the Antelope Valley Press, a newspaper published and circulated in the County of Los Angeles, which is hereby designated for that purpose, such publication to be completed not less than ten days prior to the date of said hearing.

Should there be any questions regarding this matter, please contact Mr. Manuel del Real, of this office, at (626) 300-3302, Monday through Thursday, 7 a.m. to 5:45 p.m.

**LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY
NOTICE OF PUBLIC HEARING
FOR A
PROPOSED WATER RATE INCREASE**

The Los Angeles County Board of Supervisors will hold a public hearing on _____, at 9:30 a.m., in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012, in the matter of adopting a water rate increase.

The current water rates have been in effect since 1985. To fund subsequent increases in District expenses, principally in the areas of electrical power and water purchases, it is necessary to increase these water rates. The proposed rates would increase the average residential water bill, depending on the service area and the amount of water used, by \$4.43 to \$7.60 per month.

The Board of Supervisors will consider and may approve the water rate increases as recommended by the Director of Public Works. For further information regarding this matter, please call (626) 300-3300.

Para mas informacion en relacion a esta noticia, favor de llamar al numero (626) 300-3302. Nuestras horas de oficina son de 7:00 a.m. a 5:45 p.m., de lunes a jueves.

VIOLET VARONA-LUKENS
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By _____